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Report of the Ethics Office 2014

Summary

This report is submitted to the Executive Board pursuant to paragraph 9 of Executive Board decision 2010/17: Reports of the Ethics Offices of UNDP, UNFPA and UNOPS. In accordance with the Secretary-General's bulletin entitled United Nations system-wide application of ethics: separately administered organs and programmes (ST/SGB/2007/11), the report was reviewed by the Ethics Panel of the United Nations at its 66th session on 11 February 2015 and subsequently presented to the UNFPA Executive Director.

The report provides a summary of the activities of the UNFPA Ethics Office during 2014, and describes trends in the mandated areas of its work. It also provides recommendations to management to further strengthen the organizational culture of integrity and compliance.

Elements of a decision

The Executive Board may wish to take note of the present report and comment on the progress of the work of the UNFPA Ethics Office.

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I. Introduction

1. The present report, the seventh since the establishment of the Ethics Office in January 2008, covers the period 1 January to 31 December 2014. The report, which was prepared in accordance with section 5.4 of the Secretary-General's bulletin ST/SGB/2007/11, entitled "United Nations system-wide application of ethics: separately administered organs and programmes", is submitted to the Executive Board at its annual session in 2015, pursuant to paragraph 9 of Executive Board decision 2010/17: Reports of the Ethics Offices of UNDP, UNFPA and UNOPS.

2. The UNFPA Ethics Office supports the Executive Director in ensuring that all UNFPA personnel observe and perform their functions consistent with the highest ethical standards required by the Charter of the United Nations and the Standards of Conduct of the International Civil Service. The activities of the Ethics Office are aimed at promoting an organizational culture based on shared values of integrity, accountability, transparency, professionalism and mutual respect. The Office operates on principles of independence, impartiality and confidentiality.

3. This report describes the key activities undertaken by the Ethics Office in 2014. It also comments on the actions taken and progress made in addressing certain recommendations that were made to management in the 2013 annual report of the Ethics Office (DP/FPA/2014/4).

4. In reviewing the administration of the ethics function in the organization, the report provides further recommendations on ways to strengthen the ability of UNFPA to maintain the highest ethical standards.

5. The Ethics Office experienced a recent transition in leadership. The previous Ethics Adviser retired in April 2014. On 27 May, the Executive Director appointed the organization's Chief, Legal Unit, as officer-in-charge of the Ethics Office; he served until 31 August. The new Ethics Adviser began her tenure on 1 September 2014.

II. Activities of the UNFPA Ethics Office

6. As in previous years, the activities of the Ethics Office were undertaken in the following mandated areas of work:

(a) Providing confidential advice and guidance to staff at their request on ethics-related issues;

(b) Administering the financial disclosure programme;

(c) Undertaking assigned responsibilities under the policy for the protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations;

(d) Developing standards, training and education on ethics issues, in coordination with the Ethics Panel of the United Nations (EPUN) and other offices in UNFPA as appropriate, and conducting ethics outreach;

(e) Providing guidance and policy support to management on ethics standard-setting to ensure that the rules, policies, procedures and practices of the organization reinforce and promote the highest standards of ethics and integrity required by the Charter of the United Nations, other applicable staff rules and regulations, and the standards of conduct for the international civil service.

7. The Ethics Office provided services on 218 occasions in 2014. As compared to 2013, this represents a nearly 24 per cent decrease in requests for services. The decrease is attributable to the transition of ethics advisers, as UNFPA did not have a full-time ethics adviser for four months, from May through August 2014.

8. In 2014, nearly half of the 218 services provided (104) were related to advisory matters; 57 involved assisting staff with their financial disclosures; and 5 were related to complaints and inquiries about retaliation. Services were also provided in support of United Nations system-wide coherence and harmonization of ethics-related policies (26 matters) and with respect to ethics standard-setting within UNFPA (9 matters). A percentage breakdown of service requests by category is provided in figure 1. Figure 2 summarizes the services provided by the Ethics Office over the most recent three-year period, 2012-2014.

Figure 1
Requests for services, by category, in 2014

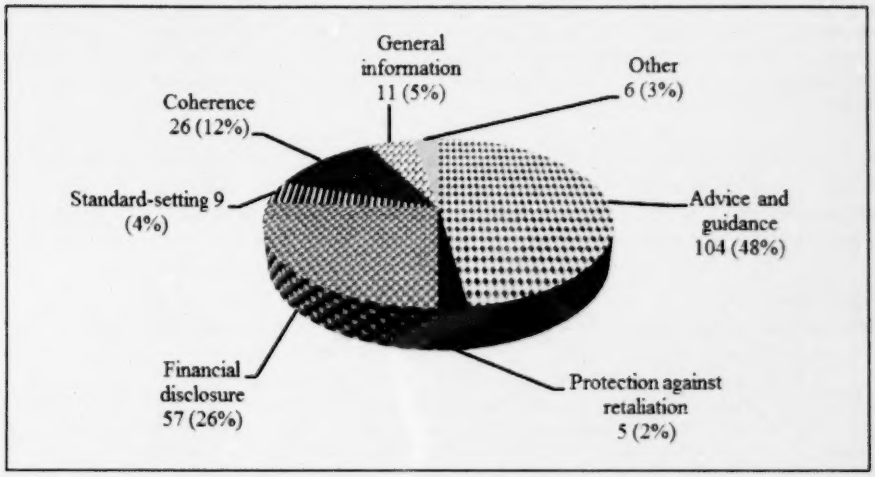

Figure 2
Overview of requests for services, by category, 2012-2014

Year	Advice and guidance	Protection against retaliation	Financial disclosure	Standard-setting	Coherence	General information	Other	Total
2012	167	3	38	23	26	19	9	**285**
2013	161	5	54	19	28	6	12	**285**
2014	104	5	57	9	26	11	6	**218**

A. Advice and guidance

9. The provision of advice and guidance is the foundation of the Ethics Office's programme of work. As can be seen in figure 3, the number of requests for advisory services has increased since the establishment of the Ethics Office in 2008; but in 2014, the requests decreased for the first time since reporting began.

Figure 3
Requests for ethics advice and guidance, by issue, 2012-2014

Year	Conflicts of interest – outside activities	Conflicts of interest – gifts, awards and hospitality	Conflicts of interest – post-employment	Conflicts of interest – other	Employment-related concerns (*)	Total
2012	56	9	1	24	77	**167**
2013	52	20	1	13	75	**161**
2014	45	19	1	8	31	**104**

(*) Prior to 2014, retaliation inquiries and complaints were included as "employment-related concerns". For 2014 and in the future, they are not included as a type of advice, but rather as retaliation-related matters (which are discussed in Section II.C. of this Report). The text of this section, including statistics, compares advisory matters only, and does not include retaliation-related complaints and inquiries.

10. Requests for advisory services decreased 33 percent over 2013 (when adjusted to exclude retaliation-related matters in 2013). It is notable that the most significant decrease in advisory services occurred in field offices, where there was a 46 percent decrease in requests (91 in 2013 versus 49 in 2014). See Figure 4.

Figure 4
Requests for ethics advice and guidance, by geographic location, 2012-2014

Year	Headquarters	Eastern Africa	Western and Central Africa	Latin America	Asia and the Pacific	Eastern Europe and Central Asia	Arab States	Total
2012	81	14	10	24	20	10	8	**167**
2013	66	8	5	17	34	8	23	**161**
2014	55	2	8	15	15	7	2	**104**

11. Of the 104 inquiries that were received in 2014, 73 concerned conflicts of interest (see figure 5). Of these, the majority (45 inquiries) related to participation in outside activities, such as undertaking teaching assignments, serving on boards of non-governmental organizations or publishing articles or books. For many of these, the staff member formally requested permission from the Division of Human Resources (DHR) to engage in the activity, and the Ethics Office reviewed the request in order to advise the staff member and DHR in determining whether the activity presented a conflict of interest. In other situations, the staff member (or in some cases, his or her supervisor) asked the Ethics Office whether an activity was appropriate.

12. There were 19 inquiries related to the processes to be followed in relation to giving gifts to or receiving gifts from various entities, including governments and vendors. The Ethics Office notes that despite the prohibition on gifts from governments to staff members, such practices continue and, indeed, tend to place the staff member in a potentially uncomfortable position. Finally, the Ethics Office received one inquiry on post-employment activities and eight inquires related to other types of conflicts of interest.

Figure 5
Requests for ethics advice and guidance – breakdown of 2014 data

Category	Headquarters	Field	Total cases
Conflicts of interest			
– Outside activities	23	22	**45**
– Gifts, awards and hospitality	8	11	**19**
– Post-employment	-	1	**1**
– Other	5	3	**8**
Subtotal	***36***	***37***	***73***
Employment-related concerns			
– Workplace conduct issues	10	7	**17**
– Clarification of personnel-related policies	9	4	**13**
– Allegation of fraud	-	1	**1**
Subtotal	***19***	***12***	***31***
Grand Total	**55**	**49**	**104**

13. Employment-related inquiries decreased by 55 percent (down from 75 inquiries in 2013 to 31 inquiries in 2014). As in the past, the majority of these (17 inquiries) related to concerns or allegations of workplace and other misconduct. There were also 13 inquiries in which personnel questioned the application of policies and processes, including those associated with performance management, contractual status or recruitment. One request involved an allegation of fraud by a staff member.

14. Other than via its protection against retaliation mandate, the Ethics Office does not have a responsibility to directly engage in the resolution of grievances of a staff member or other personnel. Yet, individuals continue to consult the Ethics Office on such matters, despite the Office's attempts, through training and education, to direct them to the proper offices. As in the past, most personnel were aware of existing mechanisms to report misconduct but believed that those mechanisms would be ineffective in resolving their particular concern or, worse, would lead to reprisals.

15. The Ethics Office considers it part of its confidential advice mandate to help those who consult the Office with employment-related concerns to analyse the situation to better gauge whether the matter warrants a report of misconduct or whether, instead, it could be best resolved through a consultation with a senior manager, DHR or the Ombudsman. In this vein, the Ethics Office continues to encourage UNFPA personnel to fulfil their obligation to report any misconduct they have observed or experienced.

16. However, the Office also reminded staff on appropriate occasions of their responsibility as international civil servants to understand that in an environment in which people with different languages, cultures, customs and traditions must work together to achieve our mandate, there will be disagreements and differences in managing and working styles; and that while these can create tension, they do not necessarily constitute misconduct or retaliation. Still, there are times when disagreements and tensions are handled in such a manner as to constitute misconduct; these should be addressed via the appropriate formal mechanisms. In 2014, the Ethics Office worked to ensure its advice on employment-related matters reflects this balance.

B. Financial disclosure programme

17. The purpose of the financial disclosure programme is to preserve and protect the integrity of UNFPA, thus building public confidence in the organization and its staff. The programme is a primary tool for identifying and assessing organizational risk in relation to conflict of interest situations arising from the financial investments and outside activities of staff members and their immediate family members. Staff members required to disclose include (a) those at the D1 level and above; (b) all other staff who had finance and procurement functions or direct access to procurement-related information, or who were engaged in the investment of the assets of UNFPA or of any accounts for which UNFPA had fiduciary or custodial responsibility; and (c) other staff members as designated by the financial disclosure policy or relevant head of department.

18. A total of 674 staff members submitted financial disclosure statements in the 2014 annual filing cycle, which covered the 2013 calendar year (see figure 6). These categories of staff are listed according to their functional titles in the UNFPA financial disclosure policy. The willingness of staff members to comply with the requirements of the programme was the single most important factor in achieving full compliance. In addition, close collaboration between the Ethics Office, DHR, the Management Information Systems Branch, and each head of office resulted in the programme operating efficiently.

Figure 6
Financial disclosure participation, by location and calendar year, 2011-2013

Year	Headquarters	Field	Total by year
2011	89	470	**559**
2012	123	499	**622**
2013	133	541	**674**

19. Of the staff required to file, 133 were staff members at headquarters, including all staff within the UNFPA Procurement Services Branch, irrespective of grade level. There were 541 field-based staff members who were required to disclose their assets and interests. Some 108 staff members were first-time filers; 19 joined or otherwise became eligible to participate during the year, and so did not submit full-year statements. The filing population was closely divided between staff in managerial positions (319) and support staff (355), of whom the majority were finance or administration assistants based in field offices.

20. The total number of staff required to file disclosure statements continues to increase. Since 2006, when the programme began, with 293 participants, the number of participants has increased by 130 per cent, to 674 in 2013.

21. The Ethics Adviser[1] reviews each financial disclosure statement for completion, in accordance with the requirements, and to consider whether any of the staff member's activities, or the activities of his or her immediate family members, could present a conflict of interest. Some 133 filers certified that they had no relevant disclosures. Additional information was requested from 31 staff members. Upon further review, one staff member was found to have had a previously undisclosed outside activity. The staff member submitted a request for approval for the activity, and it was found not to conflict with the staff member's position or the organization's interests.

[1] In 2014, the Ethics Office engaged the former Ethics Adviser as a consultant to conduct this review, in order to meet the required deadlines.

22. The Ethics Office additionally subjected a random sample of 8 per cent (54 statements) of the filing population, diversified by location, grade and functions, to verification of their financial disclosures. This verification process, now in its second year, is an integral part of the programme because it allows the Office to ensure that staff members are undertaking due diligence in the completion of their financial disclosure statements. Two of the staff members selected were due to retire before the exercise was completed, and so were excused from the verification requirements. The remaining 52 disclosures underwent a rigorous review of documentation submitted in support of the staff members' original disclosures.

23. During the verification phase, 25 per cent of staff members whose disclosures were being verified submitted documentation in support of more assets and interests than they had disclosed during the initial disclosure period. This suggests that staff members may not have understood the disclosure requirements in the initial disclosure phase. The Ethics Office will further clarify the financial disclosure programme requirements to relevant staff at the beginning of the cycle in future years.

C. Protection against retaliation for reporting misconduct and for cooperating with duly authorized fact-finding activities

24. UNFPA protects staff members who report misconduct or participate in an authorized fact-finding activity from any actual or threatened detrimental action that they could face as a consequence of that report or participation. The Ethics Office is charged with administering the policy on protection against retaliation, which sets forth the prohibition against retaliation, the procedures for lodging a complaint, and the steps the organization may take to address retaliation.

25. Upon receipt of a formal complaint, the Ethics Office is required to undertake a preliminary assessment to determine whether the complainant engaged in an activity warranting protection from retaliation and, if so, whether this protected activity was a contributing factor to the retaliation. If the Ethics Office determines that a *prima facie* case of retaliation has been established, the matter is referred to the Office of Internal Audit and Investigation Services (OAIS) for investigation. Following completion of the investigation, the Ethics Office reviews the OAIS investigation report, seeks clarification, as needed, and then makes a final determination whether retaliation has occurred.

26. On 27 June 2014, the Executive Board, in decision 2014/22, requested the ethics offices of UNFPA, UNDP, and UNOPS "to improve protections for whistle-blowers by developing and implementing an effective policy on protection against retaliation that specifies a statute of limitations of a minimum of six months for reporting retaliation". Accordingly, the Ethics Office amended the policy to reflect a new six-month statute of limitation (instead of the previous 60-day period) for claims of retaliation. The revised policy was issued on 25 November 2014. The amendment is retroactive to 27 June 2014.

27. In 2014, the Ethics Office received three complaints of retaliation and two inquiries about the application of the policy in certain situations. As to the first complaint, the Ethics Office found that a *prima facie* case of retaliation existed, and referred the complaint to OAIS for investigation. OAIS completed its investigation on time. The Ethics Office ultimately determined that the staff member's allegations were not substantiated because there was no causal connection between the report of misconduct and the allegedly detrimental actions.

28. In the second complaint, the Ethics Office conducted a preliminary assessment and concluded that the staff member could not have been subjected to retaliation because the staff member's complaint of misconduct occurred after the alleged detrimental actions had occurred. The third complaint was in the preliminary assessment phase by the Ethics Office at the time of the writing of the present report. It is notable that the amendment to the policy summarized above had

the effect of permitting the complainant in the third case to file a complaint when it otherwise would have been time-barred. Finally, the Office advised two staff members who were concerned about possible future retaliation because they had informally complained about the behaviour of their supervisor.

D. Training, education and outreach

29. The training, education and outreach programme of the Ethics Office reinforces the core values and principles of the United Nations and the international civil service, increases knowledge of and compliance with UNFPA-specific ethics-related policies and encourages staff and management to adhere to the highest ethical standards.

30. In late 2014, the Ethics Office conducted six custom training and education programmes for a total of 150 UNFPA personnel. The Office conducted an introductory ethics briefing for new and newly-promoted staff attending a staff induction workshop at headquarters. The Ethics Office also conducted a group briefing for the recently established human resources strategic partner team in DHR and began conducting individual briefings for the human resources strategic partners on ethical considerations in their specific regions.

31. At the regional level, the Ethics Office opened the Eastern Europe and Central Asia regional team retreat with a training programme under the heading, "Strengthening our understanding of organizational values". As part of the Procurement Services Branch training for department chiefs and focal points, the Ethics Office conducted separate training programmes for each group. Additionally, training was provided for staff of the Office of Security Coordinator at its annual meeting.

32. The year 2014 was the sixth year that the mandatory online course "Ethics, Integrity and Anti-Fraud: Setting the Standards at UNFPA" was available to staff members. The course continues to be a helpful introductory ethics training programme but is now less utilized due to its advancing age. The Ethics Office intends to retire this course in 2015 and create a new online ethics training programme.

33. The Ethics Office maintained its website, which provides a variety of informational materials and guidance notes on the prevention and mitigation of conflicts of interest, respectful workplace conduct, requirements of the financial disclosure programme, and the nature and scope of whistle-blower protection. It provides access to all ethics-related guidelines, policies and procedures, and to the mandatory online ethics course. The website served as a point of introduction to the services provided by the Office and as a resource for continuous ethics education. In 2015, the Ethics Office will establish a new microsite, in accordance with the organization's internal communications strategy.

34. To raise awareness of ethics principles and inform staff of the services of the Ethics Office, the Office prepared a summary of ethics principles and the Ethics Office's services for the UNFPA 'Welcome Book' for headquarters staff, produced by the Learning and Career Management Branch.

E. Standard-setting and policy support

35. A key function of the Ethics Office is to provide guidance to management on ethics standard-setting so that the policies and practices of the organization reflect and promote the expectations of integrity, impartiality and fairness required of UNFPA and its staff. The guidance envisaged includes the regular review of current organizational policies, rules and practices that relate to ethics and ethical conduct and advice to management on mechanisms to strengthen staff compliance.

36. During the reporting period, the Ethics Office worked closely with OAIS, DHR, the Legal Unit, the Division of Management Services and the Management Information Systems Branch to review and provide input on policies important to the organization's operations. The Ethics Office views this collaboration as critical for ensuring consistency in the advice that it provided to staff in the context of its advisory and guidance function.

37. The Office also collaborated informally with DHR, OAIS and the Office of the Ombudsman for United Nations Funds and Programmes to focus on identifying formal and informal options to address the employment-related concerns that were brought to the attention of the Ethics Office.

38. The Ethics Office attended its annual meeting with the UNFPA Audit Advisory Committee and briefed the Committee on its 2014 work programme and the progression of the ethics function in UNFPA. The Ethics Office also met with the Ombudsman for the United Nations Funds and Programmes.

III. Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations

39. The UNFPA Ethics Office participated in 7 of the 11 meetings of the Ethics Panel of the United Nations (EPUN) in 2014 but did not participate in the annual meeting of Ethics Network of Multilateral Organizations (ENMO).[2] The Ethics Office contributed to 19 advisory matters within the EPUN/ENMO community in 2014. Given the small size of the UNFPA Ethics Office staff and budget, and the specialized, confidential nature of its operations, these networks were critical resources for ensuring consistency in application of policies and practices, and learning about best practices in international organizations. Further information on the work of EPUN is provided in the Report of the Secretary-General on the activities of the Ethics Office (A/69/332), presented at the 69th session of the General Assembly.

IV. Observations and recommendations to management

40. In 2014, many senior managers served as positive ethical role models in several spheres, including in their full compliance with the financial disclosure programme, engagement on prevention of retaliation matters, promotion of training and education, and informal discussions of ethics. The Executive Director reminded staff attending the September 2014 global staff meeting of the importance of reporting misconduct, and that UNFPA will protect them from retaliation when they do. The Executive Director and most members of the Executive Committee have consulted with the Ethics Office on specific matters or shared helpful information. The Ethics Office also observed many instances in which managers went beyond merely talking to staff about ethics and engaged in hands-on efforts to address ethics-related concerns.

41. The following recommendations, recognizing the progress made in 2014, suggest how to build on this progress to further strengthen the culture of integrity and compliance in UNFPA.

(a) Understanding that progress occurs over time, the Ethics Office reiterates to management its 2013 recommendation that there be efforts toward increased managerial accountability for establishing work environments that foster a culture of speaking up without fear of retaliation.

[2] The Officer-in-Charge, who serves at UNFPA as full-time Chief, Legal Unit, did not participate in the EPUN and ENMO meetings in order to ensure that these meetings could occur in a fully confidential setting.

(b) The Office further recommends that managers be held individually accountable for establishing and maintaining work environments that allow for open, respectful feedback throughout the year.

(c) Managers can mitigate the tension present in some of their interactions with staff who report to them by openly soliciting honest and constructive feedback, and doing the same with them. To this end, the Ethics Office commends the efforts of DHR to provide greater investment in skills training on ethical leadership for managers, and additionally emphasizes that any training, to be effective, must be followed by managers being required to demonstrate their new and refreshed skills in their interactions with staff.

(d) Managers are charged with directing staff in the performance of the work of the organization. When staff members have questions or concerns, they are entitled to raise them in a respectful manner with the supervisor or other proper authorities, and to seek written instructions to clarify. Staff may challenge such instructions through the appropriate official mechanisms, and record their disagreement in official files; they may not delay in carrying them out.

(e) The Ethics Office recommends that all staff, regardless of position, recommit to this standard of conduct as a foundation for ethical behaviour. In this manner, they may be seen to act with the integrity, independence and impartiality expected of international civil servants.

v. Conclusion

42. In 2014, the Ethics Office experienced a transition of ethics advisers. This shift was eased with the support of the Executive Director and his office, and the active engagement by senior management with the new Ethics Adviser. The Ethics Office acknowledges the UNFPA Staff Council for its engagement with the Ethics Office on behalf of UNFPA staff. The Ethics Office also wishes to acknowledge with appreciation the Chief, UNFPA Legal Unit, for his service as officer-in-charge of the Ethics Office during the transition period.

43. Even as it transitioned leadership, the Ethics Office continued its work in helping the Executive Director promote a culture of integrity and encourage ethical behaviour among all staff. The Ethics Office will continue to further improve on its own efforts, and work with staff and management to foster a culture of ethics within the organization and to integrate ethics considerations into UNFPA operations around the world.